

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5408-03
Bill No.: Perfected SS for SB 741
Subject: Gambling
Type: Original
Date: April 1, 2014

Bill Summary: This proposal authorizes gaming establishments to provide lines of credit.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§ 313.800, 313.812, 313.817 and 313.830 - Gambling Boat Lines of Credit:

Due to time constraints, **Oversight** used agency responses to the previous version of the proposal.

In response to the previous version of the proposal, officials at the **Missouri Gaming Commission** assumed the proposal has an unknown fiscal impact. The impact is unknown because it is impossible to estimate the additional revenue potential for attracting major players to Missouri casinos. Regarding the cost to regulate, the fiscal impact is unknown because it is unclear which governmental agency if any would have regulatory authority for this legislation.

In response to the previous version of the proposal, officials at the **Office of Administration - Budget and Planning** assumed the proposal could potentially increase gaming revenues which would also increase total state revenues by an unknown amount. Budget and Planning defers to the Missouri Gaming Commission for the estimate.

In response to the previous version of the proposal, officials from the **Department of Higher Education (DHE)** stated by allowing individuals to use credit for gaming, additional losses may occur for those individuals, a portion of which would become state revenue.

DHE assumed it is unknown how much additional revenue might result.

Oversight notes that it is unable to measure the impact of establishing lines of credit at Missouri gambling boats. This proposal could increase the number of people attending a Missouri casino or the amount of money gambled by patrons. Any potential increase in gaming revenue would impact the gaming taxes collected, therefore increasing total state revenue; however, **Oversight** considers this an indirect impact and will not reflect it in the fiscal note.

In response to the previous version of the proposal, officials at the **Department of Higher Education**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Missouri Veterans Commission**, **St. Louis County**, and the **City of Kansas City** each assumed there was no fiscal impact to their organization from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Gaming Commission
Department of Higher Education
Office of Administration - Division of Budget and Planning
Department of Insurance, Financial Institutions and Professional Registration
Missouri Veterans Commission
St. Louis County
City of Kansas City

Mickey Wilson, CPA
Director
April 1, 2014



Ross Strobe
Assistant Director
April 1, 2014